

A G E N D A

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

January 25, 2008

1:00 p.m.

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES - December 14, 2007
- III. CHAIR'S REPORT
- IV. WATER SUPPLY REPORT Randy Julander
- V. FEASIBILITY REPORTS County
 - E234 Fountain Green Irr. Co. Sanpete
- VI. COMMITTAL OF FUNDS REPORTS
 - E036 Uintah Water Cons. Dist. Uintah
 - E230 East Fielding Pump & Dist. Co. Box Elder
- VII. SPECIAL ITEMS
 - E122 Holliday Water Co. (delay payment) Salt Lake
- VIII. DAM SAFETY CONSTRUCTION FUNDING
 - C031 DMAD Company (DMAD Dam) Millard
 - C034 Wildlife Resources (Mill Hollow Dam) Wasatch
- IX. LAKE POWELL PIPELINE PROJECT - Project Update and Actions
- X. BEAR RIVER DEVELOPMENT - Project Update and Actions
- XI. DIRECTOR'S REPORT
- XII. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Division of Water Resources
Room 314
1594 W. North Temple
Salt Lake City, Utah

January 25, 2008

10:00 a.m.

- | | | |
|------|------------------------|--------------------|
| I. | WELCOME/CHAIR'S REPORT | Chairman McPherson |
| II. | DISCUSSION OF PROJECTS | Board/Staff |
| III. | OTHER ITEMS | |

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status January 25, 2008

Funds Available for Projects This FY \$ 10,901,000

Projects Contracted This FY

1 Mosby Irr Co (Amend)	D730			\$ 4,360,000
2 North Creek Irr Co	E181			288,000
3 Providence-Logan Irr Co	E191			193,000
4 Enterprise Res & Cnl Co (Upper Ent Dam)	C036	Grant	**	2,840,000
5 Enterprise Res & Cnl Co (Upper Ent Dam)	C036	Loan	**	160,000
6 Rocky Ford Irr Co	E213			<u>87,300</u>

Total Funds Contracted	\$ 7,928,000
Funds Balance	\$ <u>2,973,000</u>

Projects with Funds Committed

1 Utland Ditch Co	E182			\$ 270,000
2 Sevier Valley Cnl Co	E197			195,500
3 Twin Creek Irr Co	E180			475,000
4 Deseret Irr Co	E101			96,000
5 North Creek Irr Co (Amend)	E181			54,000
6 Providence-Logan Irr Co	E191			15,300
7 Kaysville Irr Co (Temporary Loan)	C037			738,000
* 8 DMAD Company (DMAD Dam)	C031	Grant	**	522,500
* 9 Division of Wildlife Res (Mill Hollow Dam)	C034	Grant	**	1,440,000
* 10 East Fielding Pump & Distrib Co	E230			<u>57,000</u>

Total Funds Committed	\$ 3,863,000
Funds Balance	\$ <u>(890,000)</u>

Projects Authorized

1 Old Meadow Ranchos C&W Co	E210			\$ 68,000
2 Hanksville Irr Co	E219			400,000
3 Grave Yard Irr Co	E204			19,500
4 South Cove Culinary Water Co	E222			66,000
5 Glenwood Irr Co	E221			128,000
* 6 Fountain Green Irr Co	E234			<u>230,000</u>

Total Funds Authorized	\$ 912,000
Remaining Funds Available	# \$ <u>(1,802,000)</u>

* To be presented at Board Meeting

** Dam Safety Projects

This would be the end of year balance if all projects were contracted & fully paid

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status
January 25, 2008

Funds Available for Projects This FY	\$ 4,431,000
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Bonds Closed This FY

1 Weber-Box Elder Cons Dist (Re-committal)	E209	\$ 233,000	
2 Centerfield Town	L547	<u>255,000</u>	
Total Bonds Closed			\$ 488,000
Funds Balance			\$ 3,943,000

Projects with Funds Committed

1		\$ -	
Total Funds Committed			\$ -
Funds Balance			\$ 3,943,000

Projects Authorized

1 Deweyville, Town of	L557	\$ 1,346,400	
Total Funds Authorized			\$ 1,346,000
Remaining Funds Available		#	\$ 2,597,000

* To be presented at Board Meeting

This would be the end of year balance if all projects were contracted & fully paid

BOARD OF WATER RESOURCES

Conservation & Development Fund

Funding Status January 25, 2008

Funds Available for Projects This FY \$ 24,096,000

Projects Contracted/Bonds Closed This FY

1 Magna Water Co an Improvement Dist	E190	\$ 7,100,000
2 Ephraim Irr Co (Amend)	E061	120,000
3 South Jordan City (Bond Ins Grant)	E224	45,000
4 Weber Basin WCD (Ph 1)	E225	5,825,000
5 Clearfield City (Bond Ins Grant)	L559	24,000
6 Davis & Weber Counties Cnl Co (Ph 5)	E215	2,700,000
7 South Weber Irr Co	E208	<u>1,216,000</u>

Total Funds Contracted/Closed	<u>17,030,000</u>
Funds Balance	\$ <u>7,066,000</u>

Projects with Funds Committed

1 Lake Creek Irr Co (Ph 1)	E102	\$ 22,500
2 Parowan City (Bond Ins Grant)	E121	34,000
3 Saratoga Springs City (Bond Ins Grant)	E218	117,000
4 Garfield County School Dist	E220	459,000
5 Jordan Valley WCD (Bond Ins Grant)	E228	225,000
* 6 Uintah WCD (Island Ditch)	E036	<u>922,000</u>

Total Funds Committed	\$ <u>1,780,000</u>
Funds Balance	\$ <u>5,286,000</u>

Projects Authorized

1 Strawberry High Line Canal Co	D976	\$ 3,187,000
2 Richland Nonprofit Water Co	E087	335,000
3 Lake Creek Irr Co (Ph 2)	E102	300,000
4 New Escalante Irr Co	E077	300,000
5 Provo River Water Users Association	E177	60,000,000
6 Whiterocks Irr Co	E084	4,955,000
7 Central Utah W C D	E205	60,000,000
8 Weber Basin WCD (Ph 2+)	E225	56,035,000
9 Brooklyn Canal Co	E223	1,000,000
10 St George & Washington Canal Co	E129	<u>2,450,000</u>

Total Funds Authorized	\$ <u>188,562,000</u>
Remaining Funds Available	# \$ (183,276,000)

* To be presented at Board Meeting

This would be the end of year balance if all projects were contracted & fully paid

BOARD OF WATER RESOURCES

January 25, 2008

ADDITIONAL ACTIVE PROJECTS	Fund	Est. Board Cost	Total Cost
Projects Under Investigation			
1 Woodruff Irrigating Co	D680 C&D	\$ 600,000	\$ 800,000
2 Kane County WCD	D828 C&D	1,500,000	2,000,000
3 Keith Johnson	D996 RCF	37,500	50,000
4 Hyrum Blacksmith Fork Irr Co	E047 C&D	1,230,000	1,640,000
5 Mayfield Irr Co	E067 RCF	187,500	250,000
6 East Juab County WCD	E071 C&D	375,000	500,000
7 Ferron Canal & Res Co	E082 C&D	2,625,000	3,500,000
8 Weber-Box Elder Conservation Dist	E113 C&D	9,750,000	13,000,000
9 Cottonwood Creek Consolidated Irr Co	E125 C&D	3,750,000	5,000,000
10 Fremont Irr Co	E131 C&D	1,500,000	2,000,000
11 Grantsville Irr Co	E150 C&D	321,000	428,000
12 Vernon Irr Co	E158 RCF	37,500	50,000
13 Kingston Irr Water Co	E169 RCF	85,000	240,000
14 Greenwich Water Works Co	E171 RCF	112,500	250,000
15 Bullion Creek Irr Co	E172 RCF	75,000	100,000
16 Fountain Green Irr Co (Flow Augment)	E186 RCF	75,000	100,000
17 San Juan WCD	E198 C&D	3,000,000	4,000,000
18 Midvale City	L556 C&D	7,125,000	9,500,000
19 Wallsburg Irr Co	E203 RCF	90,000	120,000
20 Leota Irr Co, Inc	E207 C&D	2,800,000	3,500,000
21 Ouray Park Irr Co	E212 C&D	2,100,000	2,470,000
22 Corinne City	E216 C&D	80,000	100,000
23 West Field Irr Co	E217 RCF	68,000	85,000
24 Devil's Pass Water Co	E226 RCF	157,500	210,000
25 Thompson Ditch Co	E227 RCF	142,500	190,000
26 Barton-LeFevre-Tebbs Co	E229 RCF	487,500	650,000
27 Moroni Irr Co	E231 C&D	3,997,500	5,330,000
28 Mapleton City	E232 C&D	12,225,000	16,300,000
29 Cub River Irr Co	E233 C&D	1,882,500	2,510,000
30 Brigham City	L560 C&D	15,750,000	21,000,000
* 31 Kays Creek Irr Co	E235 RCF	187,500	250,000
Subtotal		\$ 72,354,000	\$ 96,123,000

* New Application

BOARD OF WATER RESOURCES

January 25, 2008

Additional Authorized or Committed Projects

1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 9,496,000	\$ 10,084,575
2 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D	28,369,000	33,375,000
3 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	11,588,000	13,561,180
4 Hooper Irr Co (Press Irr, Ph 4)	E060	C&D	<u>11,033,000</u>	<u>12,980,000</u>
Subtotal			<u>\$ 60,486,000</u>	<u>\$ 70,000,755</u>
TOTAL ADDITIONAL PROJECTS			\$ 132,840,000	\$ 166,123,755

INACTIVE PROJECTS

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Central Utah WCD (Prepay FY98,99,00)	D960

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-234**

Received: 11/26/07

Approved: 12/14/07

To be Presented at the January 25, 2008 Board Meeting

SPONSOR: ***FOUNTAIN GREEN IRRIGATION COMPANY***

President: Robert D. Hansen

LOCATION: The proposed project is located west of Fountain Green City, about eight miles north of Moroni in Sanpete County.

EXISTING CONDITIONS & PROBLEMS: The sponsor provides pressurized sprinkle irrigation to farmland south of Fountain Green and to lawns and gardens in the town (about 3,350 total acres) through three separate systems, supplied by three springs and a well.

The Big Springs division serves 2,230 acres and is almost completely enclosed in pipeline except for a 60-year old, 2,500-foot section of ditch at the top of the system where water exits from a hydropower plant. The sponsor has problems with moss and debris entering the open ditch, as well as seepage losses.

PROPOSED PROJECT: The sponsor is requesting technical and financial assistance from the board to remove the old concrete ditch, replace it with 3,050 feet of 18-inch 80 psi pipe, and install four turnouts for livestock watering. The proposed pipeline will serve about 700 acres.

Design and construction engineering services will be provided by Division staff.

The project fits in Prioritization Category 3
(agricultural project that will provide significant
economic benefit to the area).

COST ESTIMATE: The following cost estimate was prepared by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u> <u>Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$10,500	\$ 10,500
2.	18-inch PIP Pipe	3,050 LF	27	82,350
3.	18-inch Pipe Fittings	LS	12,500	12,500
4.	18-inch Valve	2 EA	4,400	8,800
5.	Pipe Bedding	700 CY	20	14,000
6.	4-inch Air Vent	4 EA	1,300	5,200
7.	Concrete Ditch Removal	2,500 LF	7	17,500
8.	Ditch Fill	750 CY	15	11,250
9.	Stock Water Turnouts	4 EA	4,200	16,800
10.	Fence Crossing	16 EA	500	8,000
11.	Road Crossing	4 EA	5,500	22,000
12.	Top Soil	160 CY	45	7,200
13.	Seeding	1,400 SY	0.25	350
14.	Discharge Structure	LS	3,000	<u>3,000</u>
Construction Cost				\$219,450
Contingencies				21,900
Legal and Administrative				6,750
Design and Construction Engineering				<u>21,900</u>
TOTAL				\$270,000

COST SHARING
& REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$230,000	85%
Sponsor	<u>40,000</u>	<u>15</u>
TOTAL	\$270,000	100%

If the board authorizes the project, it is suggested
it be purchased at 0% interest over 24 years with
annual payments of approximately \$9,700.

FINANCIAL Benefits from installing the project are estimated as

FEASIBILITY: the value of 200 acre-feet of agricultural water annually (estimated seepage losses), plus savings in ditch operation and maintenance costs.

Annual Benefit of Water Savings	\$10,600
Annual Reduction of Ditch O&M	1,000
Less Estimated Project O&M Costs (0.1% x Construction Cost)	<u>- 200</u>
ANNUAL NET BENEFIT	\$11,400

With the proposed board share of the project being 85%, it is suggested the sponsor's repayment ability be calculated as approximately 85% of the annual net benefit, or \$9,700 per year.

The sponsor will increase water rates to shareholders in the Big Springs division to meet the payment schedule. The proposed payment is equal to about \$6.53/share (or \$4.35/acre); assessments will be raised to about \$37/share.

BENEFITS: The proposed pipeline will complete the piping for the entire Big Springs system, prevent seepage from the existing ditch, and eliminate safety issues and maintenance problems related to liability and debris buildup in an open ditch.

PROJECT SPONSOR: The Fountain Green Irrigation Company was originally incorporated in 1903 and is presently registered in good standing with the state Department of Commerce. There are 1,743 total shares of stock in the company, 1,486.5 of which are in the Big Springs Division. There was an assessment of \$30 per share this past year on the Big Springs shares. There are also 54 shares of "Pole Canyon" water and 202.5 shares of "Birch Creek" water. These three systems are not connected and are operated and assessed independently.

The Big Springs division is served by springs that produce up to 43 cfs. This water supplies a state fish hatchery, a power plant, and about 2,230 acres.

The sponsor has received a total of \$977,900 in financial assistance from the board for nine projects, including three canal lining projects, a sprinkle irrigation system, a flood damage repair project, improvements to the Birch Creek and Big Springs irrigation systems, and a new well to replace

existing wells. Seven of these projects have been paid off.

Approximately 6,830 feet of 4-through 18-inch pipeline was previously installed in the Big Springs division in 2004.

WATER RIGHTS
& SUPPLY: The sponsor has decreed rights of 44 cfs from Big Springs (WRNUM 65-3319), Birch Springs (WRNUM 65-3320), and Pole Canyon Springs (WRNUM 65-3320), which are covered by the Cox Decree. In addition, the sponsor has decreed storage rights of 255 acre-feet, and well rights (WRNUM 65-466, 65-1081, 65-2527) for 1.67 cfs.

EASEMENTS: The sponsor plans to install the pipeline in the existing ditch alignment.

ENVIRONMENTAL: No lasting environmental impacts are anticipated.

WATER
CONSERVATION: The sponsor has a water conservation plan in force that has been reviewed and approved by staff.

SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

- a. Assign properties and easements required for the project to the Board of Water Resources.

- b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the board.

3. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.

b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

c. The company has obtained all permits required for the project.

4. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the board.

b. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

PROJECT
CONTACT
PEOPLE:

President:

Robert D. Hansen
P.O. Box 164
Fountain Green, UT 84632
Phone: (435) 445-3541

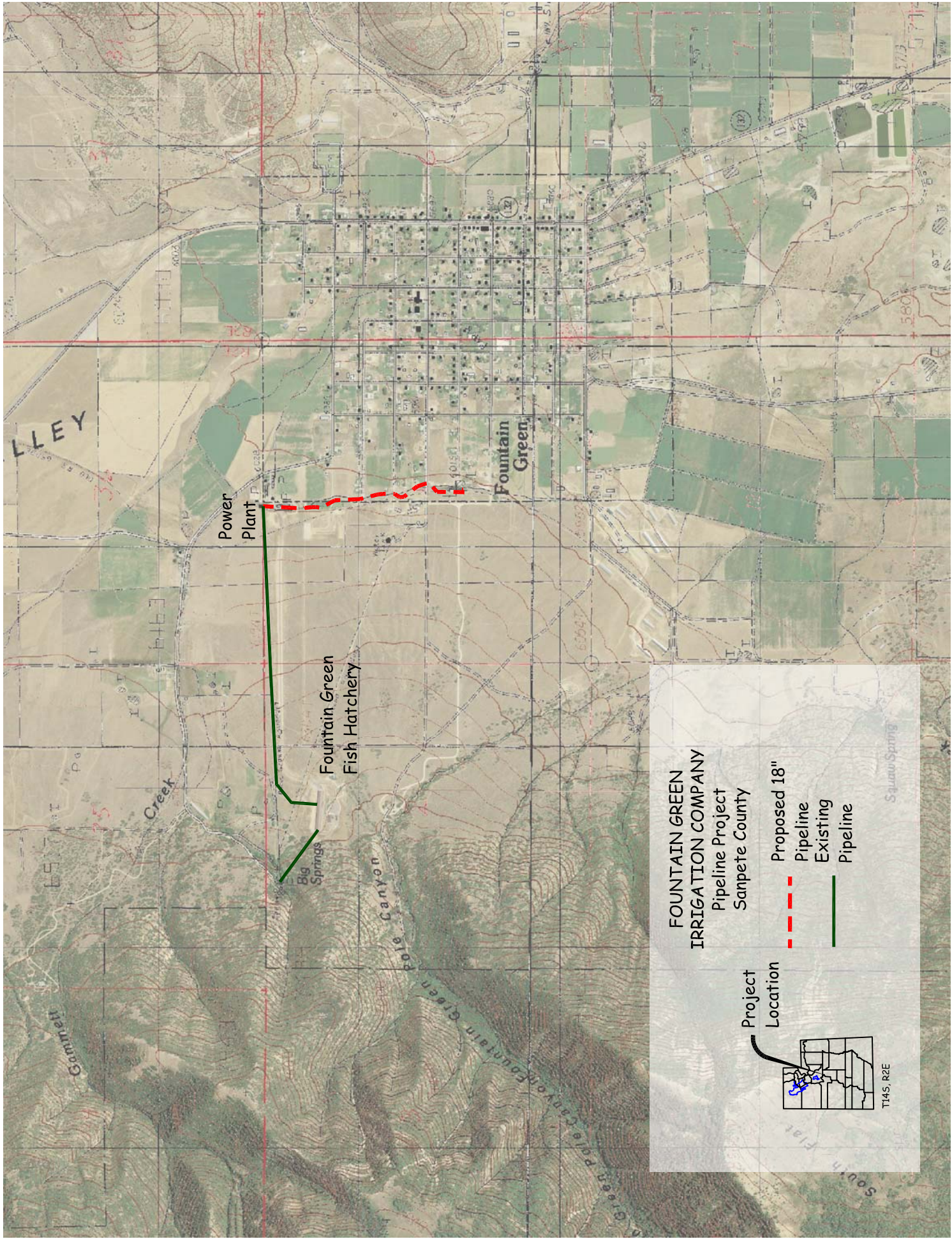
Board Member:

Steven Jensen
Box 154
Fountain Green, UT 84632
Phone: (801) 550-1402

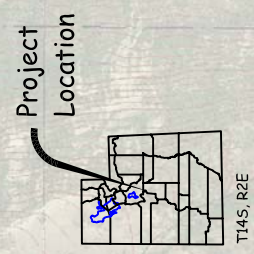
Secretary:

Mary Gilgen
P.O. Box 164

Fountain Green, UT 84632
Phone: (435) 445-3566



FOUNTAIN GREEN
IRRIGATION COMPANY
Pipeline Project
Sanpete County



Proposed 18"
Pipeline
Existing
Pipeline

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-036**

Received: 7/11/00

Approved: 8/4/00

Authorized: 9/22/00

Reauthorized: 1/28/05

To be Presented at the January 25, 2008 Board Meeting

SPONSOR: **UINTAH WATER CONSERVANCY DISTRICT**

Chairman: Herb Snyder
78 West 3325 North
Vernal, UT 84078
Phone: (435) 789-1651

LOCATION: The proposed project is located 2½ miles west and 3½ miles north of Vernal in Uintah County.

SUMMARY: The sponsor serves water wholesale to municipal and industrial entities and several irrigation companies; approximately 14,000 agricultural acres in Ashley Valley are irrigated with water delivered by the sponsor.

Since the Vernal Unit of the Central Utah Project (CUP) was completed, the sponsor has had difficulty delivering water to farms on the upper side of Ashley Valley, which comprise about 37% (5,000 acres) of the land serviced by the Vernal Unit. The Ashley Upper Canal, Highline Canal, and Colton Ditch Canal are all above the Vernal Unit's Steinaker Reservoir. Because of this, these canals rely on direct flow from Ashley Creek for diversion. As the irrigation season progresses, there is not enough flow in the creek to satisfy storage rights held in Steinaker Reservoir by these canal companies, and the primary water rights in the creek that belong to other users.

In an average year, the sponsor is able to deliver about 60% of the needed water to the aforementioned upper lands, with the farmers producing about 80% of the crop yield of their counterparts on the lower side of Ashley Valley. Dry seasons, common the past several years, exacerbate the problem. The sponsor has sufficient water to service these areas but the existing facilities can't deliver it.

The project consists of installing a pump station where the Island Ditch crosses the Steinaker Service Canal. The sponsor could then pump water from that canal back up the Island Ditch Pipeline to the Thornburgh Diversion where it can be diverted through the Rockpoint Extension to provide water to irrigate the lower farms. This will allow the Ashley Upper and Highline canals to divert more water from Ashley Creek at their diversion upstream of the Thornburgh Diversion.

The engineer has completed final design and has added a screen to the Thornburgh Diversion. It will tie the upper and lower divisions into each other to preserve storage in Steinaker Reservoir in the early spring. These additions also benefit the upper side of the Ashley Valley. The benefit/cost ratio is 1.2.

COST ESTIMATE
& SHARING:

Costs are anticipated to be much higher than the authorized cost estimate due to the additional items added to the project and a dramatic rise in the cost of labor and materials since 2005.

The authorized and proposed cost sharing are:

<u>Agency</u>	<u>Authorized Cost Sharing</u>	<u>% of Total</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$342,000	41%	\$ 922,000	65%
2025 BOR	300,000	36	300,000	21
Grant				
Sponsor	<u>200,000</u>	<u>23</u>	<u>200,000</u>	<u>14</u>
TOTAL	\$840,000	100%	\$1,422,000	100%

The authorized purchase agreement requires the \$342,000 be returned in 25 years at 3% interest with annual payments of approximately \$19,600. If the board commits funds to the project, it is suggested the \$922,000 be returned in 25 years at 2% interest with annual payments of approximately \$47,200.

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-230**
Received: 8/9/07
Approved: 10/12/07
Authorized: 12/14/07

To be Presented at the January 25, 2008 Board Meeting

SPONSOR: **EAST FIELDING PUMP AND DISTRIBUTION COMPANY**

President: Earl Anderson
91 North 300 West
P.O. Box 141
Fielding, UT 84311
Phone: (435) 458-3559

LOCATION: The proposed project is located approximately 1.5 miles southeast of Fielding in Box Elder County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to replace an existing vandalized pump, and replace four head gates and six canal check structures.

COST ESTIMATE & SHARING: The cost estimate and sharing remain as authorized:

<u>Agency</u>	<u>Cost</u> <u>Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 57,000	76%
Sponsor	<u>18,000</u>	<u>24</u>
TOTAL	\$ 75,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is suggested the loan terms remain as authorized: the project be purchased at 0% interest over 11 years with payments of approximately \$5,200 annually.

BOARD OF WATER RESOURCES

Special Item

Deferral of Payment

Conservation & Development Fund

Appl. No.: **E-122**
Received: 11/21/03
Approved: 12/12/03
Authorized: 1/30/04
Reauthorized: 8/13/04
Committed: 8/13/04

To be Presented at the January 25, 2008 Board Meeting

SPONSOR: **HOLLIDAY WATER COMPANY**

President: George Grover
1887 East 4500 South
Salt Lake City, UT 84117
Phone: (801) 277-2893

LOCATION: The project is located in Holladay City on the east side of the Salt Lake Valley in Salt Lake County.

PROJECT 2004SUMMARY: The board provided \$1,500,000 to the sponsor in to help replace 7 ½ miles of 4-inch ductile iron distribution pipeline with 8-inch ductile, add valves and fire hydrants to the system, and replace old galvanized steel service lines.

After the completion of the project authorized by the board, the sponsor continued to replace water lines in the unincorporated Salt Lake County Millcreek Township which was also in their service area. These upgrades were to be completed with the sponsor's own funds over the course of three years ending in the fall of 2008. However, the contractor moved very efficiently and has completed the 2008 phase of the project creating a cash flow problem for the company. The company bills on a quarterly basis and will not bill again until April which will occur after their March 1 loan payment due date. The sponsor estimates that the April billing will generate about \$350,000 and will take about 6 weeks to collect.

SPONSOR'S
REQUEST:

The sponsor is requesting that the board consider allowing them to pay about \$90,000 or about half of the loan payment of \$183,400 in April and the remainder about the middle of May.

In addition, the sponsor is willing to pay their March 2009 payment in October 2008 (5 months early) to help balance the interest issues generated by the late payment.

BOARD OF WATER RESOURCES

Dam Safety Report

Construction Funding

Contract Amendment - Additional Funds

Appl. No.: **C-031**
Committed: 6/10/05
Amended: 10/27/06

To be Presented at the January 25, 2008 Board Meeting

SPONSOR: **DMAD COMPANY**

President: Ken Fowles
800 West 100 North
Delta, UT 84624
Phone: (435) 864-2494

LOCATION: DMAD Dam is located approximately six miles northeast of Delta in Millard County.

SUMMARY: In June 2005 and October 2006 the board granted funds to upgrade DMAD Dam. DMAD Dam is 34 feet tall and holds about 7,500 acre-feet of water, which is used for irrigation. The dam's embankment was unstable, contained no cutoff trench, and had inadequate drainage. Phase I addressed these issues with construction of a stabilization berm and a toe drain. Phase II will consist of improvements to make the spillway meet current standards. In 2007 the engineer began geotechnical evaluation for Phase II of the upgrade, and problems were encountered during construction of Phase I that could only be resolved by mediation. This resulted in increased costs. The sponsor is requesting additional funds to pay for Phase I of the upgrade.

COSTS & COST SHARING: The estimated cost increase is \$550,000, and the sponsor requests additional grant funds to complete Phase I and the design engineering:

<u>Agency</u>	<u>Authorized Cost Sharing</u>	<u>% of Total</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
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BWRe - Grant	\$3,040,000	95%	\$3,562,500	95%
Sponsor	<u>160,000</u>	<u>5</u>	<u>187,500</u>	<u>5</u>
TOTAL	\$3,200,000	100%	\$3,750,000	100%

BOARD OF WATER RESOURCES

Dam Safety Report

Construction Funding

Appl. No.: **C-034**

To be Presented at the January 25, 2008 Board Meeting

SPONSOR: **UTAH DIVISION OF WILDLIFE RESOURCES**

Aquatic Habitat Craig A. Walker
Coordinator:

LOCATION: Mill Hollow Dam is located approximately eight miles southeast of Woodland in Wasatch County.

SUMMARY: The sponsor is requesting financial assistance from the board to upgrade Mill Hollow Dam to meet current state dam safety standards. Mill Hollow Dam is 42 feet high, stores 317 acre-feet, and the reservoir is used solely for fishing. There is seepage from the embankment and abutments, the slope of the downstream face is too steep, the spillway is inadequate, and there is no upstream gate for the outlet. The upgrade will consist of excavation of the downstream slope to install foundation and toe drains, the downstream slope will be reconstructed, the spillway will be removed and a new one constructed, and upstream guard gates will be installed.

Technical assistance is being provided by the Division of Water Resources.

COST ESTIMATE: The estimated cost of the upgrade, including engineering, is \$1,800,000.

COST SHARING: Staff recommends the following cost sharing:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
BWRe - Grant	\$1,440,000	80%
Sponsor	<u>360,000</u>	<u>20</u>
TOTAL	\$1,800,000	100%

SPONSOR'S The sponsor must obtain approval of final plans and
RESPONSIBILITIES: specifications from the Division of Water Rights
 before state funds become available.

PROJECT Coordinator: Craig A. Walker
CONTACT 1594 W. North Temple, Ste 2110
PEOPLE: Salt Lake City, UT 84114-6301
 Phone: (801) 538-4813

 Engineer: Matt Call
 Division of Water Resources
 1594 W. North Temple, Ste 310
 Salt Lake City, UT 84114-6201
 Phone: (801) 538-7270

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-235**

Received: 12/24/07

SPONSOR: **KAYS CREEK IRRIGATION COMPANY**

President: Scott H. Green
1434 E. Cherry Lane
Layton, UT 84040
Phone: (801) 941-2010

LOCATION: The proposed project is located two miles northeast of Layton in Davis County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace the outlet gate structure on Hobbs Dam.

WATER RIGHTS: 31-683, 31-1036, 31-2314, and 31-2485, a4223

COST ESTIMATE: \$250,000

Unapproved
MINUTES OF THE
BOARD OF WATER RESOURCES BRIEFING MEETING
December 14, 2007

Room 314
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

Minutes of the
Division of Water Resources Briefing Meeting
December 14, 2007
8:00 a.m.

Attendees:

Paul McPherson
Blair Francis
Craig Johansen
Harold Shirley
Bob Bessey
Brad Hancock

Ivan Flint excused

Dennis Strong
Eric Millis
Todd Adams
Val Anderson
Mike Styler
Geralee Murdock

Chair Paul McPherson brought the meeting to order and turned the time over to Mike Styler, Executive Director of the Department of Natural Resources. Mike stated the Department awards service meeting was recently held where awards were presented to the outstanding employees of the department. He said they gave each employee in the department a jacket to show them how much they are appreciated. He then gave each Board Member a jacket and expressed appreciation to them for all the volunteer time they put in.

Paul McPherson said in November he attended the NWRA meetings in Albuquerque with Eric Millis. He said it was quite an experience and a very good conference. Eric Millis said it was the 75th anniversary of the association. The focus was on a lot of history. He said the Interior Secretary of Water and Science came and spoke. It was interesting to listen to the discussion.

Feasibility Report

East Fielding Pump and Distribution Co.

Blair Francis said this is a project requesting funds to replace one of the pumps that were vandalized. The new pump house is not designed the same way as the one that failed.

Special Items

North Creek Irrigation Company

Harold Shirley said the project is located at Blue Lake Dam. The spillway was fixed and then rusty pipes were discovered causing seepage. The sponsor is requesting additional funds to cover the increased costs of lining the remaining outlet pipe.

Providence-Logan Irrigation Company

Blair Francis said funds were committed to the company to replace about 4,500 feet of canal with an inverted siphon. Due to increases in construction costs the company reduced the project to the most critical area. After funds were committed the bid came in three times higher than the engineer's cost estimate. The company re-bid the project and the bid came in slightly higher than anticipated. They are requesting additional funds.

South Weber Irrigation Company

Val Anderson said this is a recommittal. He also said Weber Basin is now sharing in the cost of the project to increase the size of the pipe from the inlet structure to the turnout for its groundwater recharge facility. Bids have been received and are higher than previously estimated, therefore the company is requesting additional funds. Bob Bessey will make the motion as Ivan Flint is out of town.

Dam Safety Construction

Kaysville Irrigation Company

Val Anderson said this project is a minimum standards issue and a safety issue but will not be covered under the Dam Safety Grant funds at this time because they are all allocated. The company intends to upgrade the dam after the breach is completed. When dam safety grant funds become available the company would like to repay the bulk of the loan with dam safety grant money.

Other

There was a discussion regarding a new application for Brigham City who is requesting financial assistance to construct a water treatment plant and pipeline to serve the proposed Proctor & Gamble site. Eric Millis said there is a possibility the Legislature will appropriate funds for this project.

Bear River Development

Eric Millis said he had a meeting with the Salt Lake water suppliers and Bowen and Collins and they agreed to have Bowen and Collins prepare a report regarding population changes in the Salt Lake Valley and the need for water from the Bear River. It is now estimated the year 2050 will be the need for water instead of the year 2025 as previously estimated.

Flaming Gorge Water Right

Eric Millis said he thought it would be wise to have Tom Cox present the staff report in the Board meeting. Randy Crozier (Duchesne County Water Conservancy District and Scott Ruppe (Uintah Water Conservancy District) will be at the meeting to answer any questions the Board might have. It was suggested the Board table the project and have them come back in the January or March Board meeting. Mr. Millis said other water right holders have until December of next year to file proof of use in the State Engineer's office.

Director Strong went over the history of when the Flaming Gorge Water Right came to the Board from the Bureau of Reclamation.

Meeting Adjourned at 9:45 a.m.

Unapproved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
December 14, 2007

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the October 9 and 10, 2007 meetings were approved as prepared. Page 1
2. The East Fielding Pump and Distribution Company project was authorized in the amount of \$57,000 (76%) to be purchased with annual payments of approximately \$5,200 at 0% interest over 11 years. Page 1
3. The contract for the North Creek Irrigation Company was amended to include an additional \$54,000 and to state the company return the \$342,000 (90%) at 0% interest over 25 years with annual payments of approximately \$13,700 starting on December 1, 2009. Page 2
4. The Providence-Logan Irrigation Company contract was amended to provide an additional \$15,300 and state the company will return the \$208,300 in 25 years at 0% interest with annual payments of approximately \$8,300. Page 2
5. The South Weber Irrigation Company project was recommitted and it is to be purchased at 2.5% interest over 28 years with payments starting at approximately \$323,000 and increasing 5% per year to a final payment of about \$115,000. Page 3
6. The Elk Ridge City project was withdrawn from further consideration by the Board. Page 3
7. The Board committed funds for the Kaysville Irrigation Company dam safety project in the amount of \$738,000 (90%) at 0% interest from the C&D fund to be returned over 20 years with annual payments of \$5,000 for the first five years, then payments of approximately \$47,600 for the remaining years. Page 3
8. The decision was deferred until March 31, 2008 for the Uintah Water Conservancy District and the Duchesne County Water Conservancy District's Flaming Gorge Water Right. Page 6
9. The 2008 Board meeting schedule was approved by the Board. Page 6

THOSE PRESENT

The BOARD OF WATER RESOURCES met in regular session on Friday, December 14, 2007 in the auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Paul McPherson presided over the 10:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Paul McPherson
Blair Francis
Brad Hancock
Harold Shirley
Bob Bessey
Craig Johansen
Ivan Flint was out of town

STAFF MEMBERS PRESENT:

Dennis Strong, Director
Eric Millis, Deputy Director
Todd Adams, Asst. Director
Randy Staker, Accountant
Val Anderson, Chief, Investigations
Tom Cox, Engineer
Marisa Egbert, Engineer
Shalaine DeBernardi, Engineer
Gina Hirst, Engineer
Joel Williams, Engineer
Geralee Murdock, Administrative Secretary

OTHERS PRESENT

Darren Hess, Engr. Manager, Weber Basin Water Conservancy District
Debra Meyer, Loan Specialist, USDA Rural Development
Paul Blanchard, Northwest Pipe Co.

Rick Scott, Director, East Fielding Pumping & Distribution Co.
Earl V. Anderson, President, East Fielding Pumping and Distribution Co.

David Bradshaw, Board Member, North Creek Irrigation Co.
Janet Bradshaw, North Creek Irrigation Co.

OTHERS CONT'D.

Glen Poll, President, South Weber Irrigation Co.
Louise Cooper, Secretary, South Weber Irrigation Company
Layne Jensen, Franson Civil Engineers

Robert Taylor, President, Kaysville Irrigation Co.
Andy Thompson, Secretary, Kaysville Irrigation Co.
David Packer, Vice President, Kaysville Irrigation Co.
Byron Colton, CRS Consulting Engineers
Dana Schuler, Project Engineer, CRS Engineers

Randy Crozier, Manager, Duchesne County Water Conservancy District
Scott Ruppe, Manager, Uintah Water Conservancy District
Addie, Uintah Water Conservancy District
Gawain Snow, Chairman, Uintah Water Conservancy District

BOARD OF WATER RESOURCES MEETING

December 14, 2007

10:00 a.m.

Chair McPherson welcomed everyone at the meeting. He asked that Ivan Flint be excused as he was out of town.

APPROVAL OF THE MINUTES

Harold Shirley made the motion, seconded by Blair Francis, to approve the minutes of the October 9 and 10, 2007 meetings. The Board agreed unanimously.

FEASIBILITY REPORT

#E-230 East Fielding Pump and Distribution Company

Chair McPherson introduced Rick Scott and Earl Anderson. Val Anderson reported the project is located approximately 1.5 miles southeast of Fielding in Box Elder County. The company's pumphouse was broken into and vandalized last spring. The copper wiring to the pumphouse and the copper coil inside one pump motor were stolen; the pump casing was destroyed in the process. The company paid approximately \$15,000 to have the pump house rewired and this enabled them to use the unharmed pump last season, but the destroyed pump needs to be replaced.

The company is requesting financial assistance from the Board to purchase and install a new pump and to replace four head gates and six canal check structures. The company has selected a pump supplier to design a replacement pump, but has not yet selected an engineer to review the design. The estimated cost of the project is \$75,000.

Rick Scott said because they knew this pump was going to have to be replaced the company increased its assessment by \$5, however the increase was only enough to pay for the rewiring.

Blair Francis said this is a good solid company and they wouldn't even be here if it hadn't been for the vandalism. He made the motion to authorize the East Fielding Pump and Distribution Company in the amount of \$57,000 (76%) to be purchased with annual payments of approximately \$5,200 at 0% interest over 11 years. Bob Bessey seconded the motion and it was unanimously agreed upon by the Board.

SPECIAL ITEMS

#E-181 North Creek Irrigation Company

Chair McPherson introduced Janet and David Bradshaw. Tom Cox reported in June of 2007 the Board committed funds to replace a deteriorating spillway at Blue Lake Dam. During construction it was discovered that several spots in the lower part of the corrugated metal outlet pipe had rusted through. An existing drain was uncovered and seepage was encountered in the area around the outlet. As part of the construction the lower 21 feet of the outlet pipe was replaced with reinforced concrete pipe; the existing drain was extended and a new drain was installed. This increased the project cost. The sponsor is requesting additional funds in the amount of \$54,000 to cover the increased costs of the project as well as the anticipated cost of lining the remaining outlet pipe as needed.

Mr. Bradshaw said they hoped they did not have to replace the pipe. The indication is the problem is with the bands on the corrugated pipe.

Harold Shirley made the motion to amend the contract with North Creek Irrigation Company to include an additional \$54,000 and to state the company return the \$342,000 (90%) at 0% interest over 25 years with annual payments of approximately \$13,700 starting on December 1, 2009. Blair Francis seconded the motion and the Board agreed unanimously.

#E-191 Providence-Logan Irrigation Company

Gina Hirst reported the company requested financial assistance to replace about 4500 feet of canal with an inverted siphon. At the time of committal of funds the company reduced the project to 870 feet due to high construction costs and difficulty in obtaining easements. The project was bid in February of 2007 and the bids were about three times the engineer's cost estimate. The project was bid this fall and the project is still slightly higher (\$18,000). The sponsor is requesting the contract be amended.

Blair Francis made the motion to amend the Providence-Logan Irrigation Company project to provide an additional \$15,300 and state the sponsor will return the \$208,300 in 25 years at 0% interest with annual payments of approximately \$8,300. Brad Hancock seconded the motion and it was unanimously agreed upon by the Board.

#E-208 South Weber Irrigation Company

Chair McPherson introduced Glenn Poll, Louise Cooper, Layne Jensen. Marisa Egbert reported the Board committed funds to the South Weber Irrigation Company to install a secondary irrigation system by installing pressurized pipe to replace an existing unlined canal. Project bids have been obtained and are higher than previously estimated. The company requests the Board re-commit funds to cover the increased costs.

Brad Hancock made the motion to recommit the South Weber Irrigation Company project to be purchased at 2.5% interest over 28 years with payments starting at approximately \$32,000 and increasing 5% per year to a final payment of about \$115,000. Bob Bessey seconded the motion and the Board agreed unanimously.

#L-558 Elk Ridge City

Bob Bessey made the motion to withdraw the Elk Ridge City project from further consideration by the Board. Brad Hancock seconded the motion and it was unanimously agreed upon by the Board.

DAM SAFETY CONSTRUCTION

#C-037 Kaysville Irrigation Company

Chair McPherson introduced Robert Taylor, president; Andy Thompson, secretary; David Packer, vice-president; Byron Colton, Director, water resources; and Dana Shuler, project engineer. Shalaine reported the company is requesting financial assistance to upgrade Kaysville Dam to meet current state dam safety standards. They are not highest on the list for dam safety grant funds, and grant funds are not currently available. The dam spillway and outlet works are inadequate and the dam has developed a leak, which has caused the Division of Water Rights to restrict storage until the problem has been located and fixed.

The leak is a safety issue not associated with the minimum standards covered in the 1990 Dam Safety Act; the sponsor's engineer believes it indicates a problem with the dam's concrete cutoff wall which is a minimum standard issue. Since the breach would be necessary to complete the dam safety upgrade the sponsor would like to begin the upgrade now even though dam safety funds are not available. The estimated cost of breaching the dam is \$820,000. Dam safety grant funds may be available within three to five years. At that time the company will request grant funds to reimburse 80% to 95% of the cost and the repayment of the loan be recalculated. Rebuilding the dam is estimated to cost \$1.7 million.

Mr. Colton said this is a high hazard dam. The state engineer controls the water surface elevation. The dam needs to be breached before spring runoff. Dennis Strong asked what they did with the water. Andy Thompson said the water is used for downstream users and a ditch company that is used 100% for farm uses which has slowly been converted to pressure irrigation.

After considerable discussion, Bob Bessey made the motion for Ivan Flint, to commit \$738,000 (90%) at 0% interest from the C&D fund, to be returned over 20 years with annual payments of \$5,000 for the first five years, then payments of approximately \$47,600 for the remaining 15 years. Harold Shirley seconded the motion and the Board agreed unanimously.

DIRECTOR'S REPORT

Director Strong introduced Patty Hancock, Brad Hancock's wife, who returned from Las Vegas with both of them early this a.m. He asked Val Anderson to introduce Joel Williams, the division's newest employee. Mr. Williams said he comes from Provo, Utah, born and raised there. He received his bachelor's degree in civil engineering from BYU and also did a master's degree and then started working for RB&G Engineering for two years. When an opening came available in Water Resources he applied and received the job.

Mr. Strong said the Governor's budget declined the division's request for additional funds to cover increasing membership costs for the organizations the division is required to belong to. The Governor's Office of Planning and Budget said no, find the funds somewhere else. Staff also asked for a half a million dollars for water conservation for state buildings, which was turned down, however Representative Willy and Representative McIff will present a bill for a half a million dollars. It puts Director Strong in a spot as state employees are not supposed to actively lobby for the bill.

Director Strong showed the Board his new pen and said he was very proud of his part in signing the Record of Decision for Colorado River Shortage Guidelines and Coordinated Operations of Lakes Powell and Mead that was also signed by the Secretary of the Interior. Larry Anderson and Robert King worked on this a long time. A lot of effort has gone into this and it is a big deal for everyone.

Brad Hancock reported on the Colorado River Water Users Association meeting held in Las Vegas Wednesday through Friday, that was attended also by Dennis Strong and Robert King. He said he enjoyed being there. Dennis said this year they had an additional discussion about climate changing, and this is the first time they were on balance. Dennis said he and Brad could share the information with the Board at a later date.

Mr. Strong said the Grand Canyon Trust filed a 60 day notice of a lawsuit that in essence says Reclamation has not operated releases from the dam consistent with the 1994 Biological Opinion. The Biological Opinion had to do with the endangered fish (humpback chub). The Trust's issue now is more about water release patterns for the generation of hydropower than about fish.

In the Board folder there is some discussion about wild and scenic rivers. He asked the Board members to be aware of the issue in their area and to bring concerns to the division.

A new application from Brigham City is in the Board folder. It is for a pipeline for the Proctor and Gamble plant that is going to be in Box Elder County. Residents in the area seem to be supportive of this new employer as well as the Governor's Office of Economic Development. The project needs to go through the process to be considered with other projects. Mr. Strong wanted the Board to be aware of this. Representative Ferry will be working with staff and an additional appropriation may be considered so the project can be funded.

LAKE POWELL PIPELINE

Eric Millis said we have been working with MWH and the Lake Powell Pipeline Management Committee to further refine the alternative alignments for the project and the cost of the configuration of the pumping station and hydropower stations. We feel like we're pretty close. In fact next week we're going to meet with the Management Committee and MWH to hopefully come up with a final product that will give us the basis that we can put into the application to send to FERC.

Mr. Millis said he and Dennis had an interesting meeting with the Kaibab and Paiute Indian Tribes. The discussion we had before was to discuss the possibility of the pipeline going across the reservation. The impression we got from the Tribe leadership was they did not want us to cross the reservation. So the plan as it is right now we would take an alignment that would go south of the reservation along the power line corridor. This is the proposed action we would send to FERC. The Tribe invited us down last week to talk more about taking the pipe across the reservation. They want us to come in January and address the entire Tribe so they can hear about the project and we can answer any questions they have before they make a decision. It is a positive development that they would like to talk about it.

FLAMING GORGE WATER RIGHT

Uintah Water Conservancy District/Duchesne County Water Cons. District

Tom Cox said Randy Crozier is here from the Duchesne County Water Cons. District (DCWCD) and Scott Ruppe is representing the Uintah Water Conservancy District (UWCD). The Board previously gave an extension to the end of December for the districts to study and come up with a plan detailing using their Flaming Gorge water right. To date 700 acre-feet of the DCWCD's 8,400 water right has been segregated and about 7,500 of the second water right has been segregated for agricultural use and has been assigned to local projects. The districts are looking at options to exchange Green River water with existing water currently being delivered from the Uinta River. Uinta River water could be held and utilized higher in the system while the lower areas could be served by water pumped from the Green River. This would require water right exchange agreements and construction of storage and pump facilities.

A pilot project is in preliminary design that will pump about 8,500 acre-feet from the Green River to provide supplemental water to the area north of Pelican Lake and through exchange, to areas higher in the drainage. It is anticipated it will be in operation by spring 2009. Leota Irrigation Company is also investigating a pumping project to serve supplemental and new lands on Leota Bench.

Staff recommends the DCWCD's Flaming Gorge Water Right in the amount of 47,600 acre-feet be extended until March 31, 2008. Staff also recommends UWCD's Flaming Gorge Water Right in the amount of 51,800 acre-feet be extended until March 31, 2008.

Scott Ruppe showed the Board a map showing the areas where the water will be used. He said they hoped to be pumping water by April 2009. A lot of infrastructure is in place and that is why they can do it so rapidly.

Randy Crozier of DCWCD said the need for water in the area is there because of the increased interest in oil shale and asked the Board to consider allowing them to have this block of water not only for oil shale but tar sands development as well. Mr. Crozier explained the process used to remove oil from the shale and tar sands.

Dennis Strong asked Gawain Snow, chairman of the UWCD, to comment. Mr. Snow said this water thing has been frustrating for years and years and that Uintah County has spent literally hundreds of thousands of dollars on engineering and in trying to get projects going that would use water out of the Green River. He said they really appreciate the Board working with them and hope in March something could be tied down.

Brad Hancock made the motion to defer the decision on the Flaming Gorge Water rights for the Uintah Water Conservancy District and the Duchesne County Water Conservancy District until March 31, 2008. Bob Bessey seconded the motion and the Board agreed unanimously.

Director Strong passed out the Board meeting schedule for 2008 and asked the Board to approve it. Harold Shirley made the motion to approve the Board meeting schedule for 2008. Blair Francis seconded the motion and it was unanimously agreed upon by the Board.

Meeting adjourned at 11:45 a.m.